

## **ATTACHMENT J-5**

### **AWARD FEE PLAN – COBRA TRAINING FACILITY**

DEPARTMENT OF JUSTICE - COBRA TRAINING FACILITY - PERFORMANCE BASED CONTRACT

AWARD FEE PLAN

CONTRACT NO. \_\_\_\_\_

#### **OVERVIEW**

This Award Fee Plan sets forth procedures and guidelines that the Office of Justice Programs will use in evaluating the technical performance of the Contractor. A copy of this plan will be furnished to the Contractor to provide awareness of the methods that the Government will employ in evaluating performance. (All percentages indicated shall be quantitatively measured on a periodic basis - the periodicity shall be determined by the Government.)

Contractors, please note that the award fee plan and criteria for award fee evaluation will be rolled into the Quality Assurance Surveillance Plan (QASP). Contractors should carefully review all elements of the Award Fee Plan, and be familiar with individual critical evaluation parameters and metrics.

## ROLES AND RESPONSIBILITIES OF PARTICIPATING GOVERNMENT OFFICIALS

The following Government Officials will participate in assessing the quality of the Contractor's performance. Their roles and responsibilities are described as follows:

1. \_\_\_\_\_ will serve as the Contracting Officer's Technical Representative (COTR). He/she will be responsible for oversight of monitoring, assessing, recording and reporting on the technical performance of the Contractor for all Tasks in the COBRA TRAINING FACILITY. Designated respective participating agency Task Monitors will be responsible for oversight of monitoring, assessing, recording and reporting on the technical performance of the Contractor on a day-to-day basis for their respective Agency's tasks. The COTR and Task Monitors will have the primary responsibility for completing "Quality Assurance Monitoring Forms" which they will use to document inspection and evaluation of the Contractor's work performance. It is extremely important for the COTR and Task Monitors to establish and maintain a team oriented line of communication with the Contractor's Project Manager (PM) and the PM's office staff due to daily interface necessary in performing monitoring functions. The COTR, Task Monitors, Contracting Officer (CO), and PM must work together as partners to ensure that required work is accomplished in an efficient and proper manner. Meetings shall be held on a periodic basis as determined by the COTR and CO to address performance monitors and quality control issues in an effort to foresee and avoid serious problems.
2. The COTR and Task Monitors will also be responsible for the day-to-day monitoring of the Contractor's performance in the areas of contract compliance, contract administration, cost control and property control. The CO shall review the COTR and Task Monitors' assessments Contractor performance and resolve differences between the COTR's / Task Monitors' performance and quality assessments versus the Contractor's evaluation of the same.
3. \_\_\_\_\_ will serve as the Contracting Officer (CO) and have overall responsibility for overseeing the Contractor's compliance with terms and conditions. The CO may appoint Contracts Specialists to attend meetings with contractor and to act on her/his behalf. All modifications resulting in alterations of the facility's structure or mechanical services must be approved by the CO prior to commencement. The CO may call upon the expertise of other Government individuals as required. The Contracting Officer's procurement authorities include the following:
  - a. FINAL authority for any decisions which increase or decrease the scope of work on the contract;
  - b. FINAL authority for any actions subject to the "Changes" clause.
  - c. FINAL authority for any decisions to be rendered under the "Disputes" clause;
  - d. FINAL authority for negotiation and determination of indirect rates to be applied to the contract;
  - e. FINAL authority to approve the substitution or replacement of the Project Manager and other key personnel;
  - f. FINAL authority to approve the Contractor's invoices for payment, subject to the Limitation of Costs clause and the Limitation of Funds clause;
  - g. FINAL authority to approve the GFE/GFP inventory turnover to the

Contractor.

- h. FINAL authority to monitor and enforce Department of Labor promulgated labor requirements.
- i. FINAL authority to administer all property-related clauses contained in the contract.
- j. FINAL authority with regard to A Determination of findings, incentive and penalty awards.
- k. FINAL authority to approve the Contractor's on-site purchasing, work order control, stock equipment inventory, pager/telephone credit card record systems and other systems which the Contractor is required to furnish under the contract;
- l. FINAL authority to approve the Contractor's Quality Control Program, preventive maintenance program, emergency/disaster contingency plan, strike contingency plan and phase-in/phase-out plan;
- m. Signatory authority for the issuance of all modifications to the contract.

## Introduction

1. This plan covers the administration of the award fee provisions of contract no. \_\_\_\_\_, beginning on the date of award, with \_\_\_\_\_.

2. The following matters, among others, are covered in the contract:

The contractor is required to provide Base Operations Support Services for the Center for Domestic Preparedness US Department of Justice.

b. The term of the contract is from October 1, 1999 through September 30, 2004, this includes a Base Year and 4 (1) year options.

c. The estimated cost of this contract is \_\_\_\_\_.

d. The estimated award fee is \_\_\_\_\_. There is no base fee.

e. This is a cost plus award fee contract.

f. The estimated cost and award fee pool are subject to the actual cost of straight time hours ordered and delivered and to equitable adjustments arising from changes or other contract modifications.

g. The award fee payable will be determined periodically by the Fee Determination Official in accordance with this plan.

h. Award Fee Determinations are not subject to the dispute clause of this contract.

i. The FDO may unilaterally change the matters in this plan, and mutual agreement is not required under the contract, providing the contractor receives notice of the changes at least ten work days prior to the beginning of the evaluation period to which the changes apply.

## **Organizational Structure for Award Fee Administration**

The following organizational structure is established for administering the award fee provisions of the contract.

1. Fee Determination Official (FDO)
  - a. The FDO is the Contracting Officer for the Office of Justice Programs.
  - b. Primary FDO responsibilities are:
    - (1) Determining the award fee earned and payable for each evaluation period.
    - (2) Changing the matters covered in this plan as addressed in Part V, as appropriate.
2. Performance Evaluation Board (PEB)
  - a. The Chair of the PEB and other voting members shall be designated by separate memorandum and approved by the FDO.
  - b. The Chair may appoint non-voting members to assist the Board in performing its functions.
  - c. Primary responsibilities of the Board are:
    - (1) Conducting periodic evaluations of contractor performance and the submission of a Performance Evaluation Board Report (PEBR) to the FDO covering the Board's findings and recommendations for each evaluation period.
    - (2) Considering changes in this plan and recommending those it determines appropriate for adoption by the FDO.
3. Performance Monitors
  - a. A monitor will be assigned to each performance area to be evaluated. The assignment will be made by the PEB Chair. Primary monitor responsibilities are:
    - (1) Monitoring, evaluation, and assessing contractor performance in assigned areas.
    - (2) Periodically preparing a Performance Monitor Report for the PEB, or others as appropriate. Recommending appropriate changes in this plan for consideration
    - Recommending appropriate changes in this plan for consideration, as necessary.

## **Method for Determining Award Fee**

A determination of the award fee earned for each evaluation period will be made by the FDO within 45 calendar days after the end of the period. The method to be followed in monitoring, evaluating, and assessing contractor performance during the period, as well as for determining the award fee earned or paid, is described below.

1. The PEB Chair will ensure that a Task Monitor is assigned for each Task Plan to be evaluated under the contract. Task Monitors will be selected on the basis of their expertise relative to prescribed performance area emphasis, and will normally be the functional or project manager responsible for the activity being supported by the particular Task Plan. Normally Task Plan Monitors duties will be in addition to, or an extension of, regular responsibilities. The PEB Chair may change Task Monitors assignments at any time without advance notice to the contractor.

2. The PEB Chair will ensure that each TM receives the following:

- a. A copy of this Award Fee Plan along with any changes made.
  - b. Appropriate orientation and guidance.
  - c. Specific instructions applicable to the Task Monitors assigned performance areas.
3. Task Monitors will evaluate and assess contractor performance and discuss the results with contractor personnel as appropriate.
  4. Task Monitors will submit quarterly Task Monitor Reports, and if required, make verbal presentations to the PEB.
  5. The PEB Chair will request and obtain performance information from the other units or personnel normally involved in observing contractor performance, as appropriate.
  6. Semi-annually the PEB will consider TM Reports, and other information it obtains and discuss the reports and information with monitors or other personnel, as appropriate.
  7. The contractor may request to meet with the PEB to discuss overall performance prior to the development of findings by the PEB, but not later than 5 working days after the end of the evaluation period. As requested by the PEB Chair, COTR, Task Monitor, and other personnel involved in the performance evaluations may attend the meeting and participate in discussions.
  8. After the end of each evaluation period, the PEB will meet to consider all the performance information it has obtained. At the meeting, the PEB will summarize its preliminary findings and recommendations for coverage in the Performance Evaluation Board Report (PEBR).
  9. The PEB may meet with the contractor to discuss the Board's preliminary findings and recommendations. As requested by the PEB Chair, the COTR, TMs and other personnel involved in the performance evaluation will attend the meeting and participate in discussions. At this meeting, the contractor is given an opportunity to submit information on its behalf, including an assessment of its performance during the evaluation period. After meeting with the contractor, the PEB will consider matters presented by the contractor and finalize its findings and recommendations for PEBR.
  10. The PEB Chair will prepare the PEBR for the period and submit it to the FDO for use in determining the award fee earned. The report will include an adjectival rating and a recommended performance score with supporting documentation. The contractor will be notified of the PEB evaluation and recommended rating and score. The contractor may provide additional information for consideration by the FDO, in written form, within 7 calendar days from the issuance of the PEBR. This is the contractor's opportunity to provide any information, which can affect the FDO's determination.
  11. The FDO will consider the PEBR and discuss it with the PEB Chair and other personnel, as appropriate.
  12. The FDO will consider the recommendations of the PEB, information provided by the contractor, if any and any other pertinent information in determining the amount of award fee earned. The FDO's determination of the amount of award fee earned and the basis for this determination will be stated in the Award Fee Determination Report (AFDR),
  13. The contractor will be notified by the contracting officer of the FDO's determination.

### **Changes in Plan Coverage**

1. Right to Make Unilateral Changes

Any matters covered in this Plan not otherwise requiring mutual agreement under the contract, may be changed unilaterally by the FDO prior to the beginning of an evaluation period by timely notice to the contractor in writing. The changes will be made without formal modification of the contract.

2. Steps to Change Award Fee Plan Coverage

The method to be followed for changing the Award Fee Plan coverage is described below:

a. Personnel involved in the administration of the award fee provisions of the contract are encouraged to recommend plan changes with a view toward changing management emphasis, motivating higher performance levels, or improving the award fee determination process. Recommended changes should be sent to the PEB for consideration and drafting.

b. Prior to the end of each evaluation period, the PEB will submit its recommended changes, if any, applicable to the next evaluation period for approval by the FDO with appropriate comments and justification.

c. Ten (10) workdays before the beginning of each evaluation period, the contracting officer will notify the contractor in writing of any changes to be applied during the next period. If contractor is not provided with this notification, or notification is not provided within the agree-to number of workdays before the beginning of the next period, then the existing plan will continue in effect for the next evaluation period.

## **EVALUATION PERIODS**

\*Performance will be evaluated every six months.

## **PERFORMANCE EVALUATION FACTORS AND EVALUATION CRITERIA**

The performance factors to be evaluated are identified below. The evaluation criteria for each factor are attached, as indicated.

<u>Area No</u>	<u>Brief Factor Identification</u>	<u>Factor Weight</u>
1	Technical Performance	70%
2	Technical Management	15%
3	Business Management	15%

## EVALUATION CRITERIA FOR PERFORMANCE EVALUATION FACTOR NO. 1

### Technical Performance Factor Weight 70%

#### Description of Factor:

The Technical Performance factor measures the quality of the services delivered by the contractor's direct staff for each Delivery Order.

#### How Evaluated:

Assessment Report individually compiled by each Technical Monitor

Subfactors to Consider	Subfactor Weighting
1. Quality (meeting technical requirements)	50%
2. Teamwork and cooperation	25%
3. Timeliness	25%

<u>Subfactor Criteria</u>	<u>Basis or Standard</u>	<u>Method of Measurement</u>
1. a. Technical	contractor staff are technically qualified	performance survey
1. b. Safety	no safety impacts on projects or functions	Task Monitor (TM) Report
2. a. Communication	provides all required reports, schedules, & other information to DOW 90% of time	TM report
2. b. Teamwork	only routine management intervention required to accomplish work	TM report
3. a. Meets Schedules	contractor performance does not adversely impact project schedules	TM report

## EVALUATION CRITERIA FOR PERFORMANCE EVALUATION FACTOR NO. 2

### Technical Management Factor Weight 15%

#### Description of Factor:

The Technical Management factor measures the quality of the contractor's management of their direct staff.

#### How Evaluated:

Assessment Report completed by CO and COTR. Assessments are performed for each delivery order, and scores are individually compiled.

<u>Subfactors to Consider</u>	<u>Subfactor Weighting</u>
1. Staff retention	40%
2. Workplace safety	30%
3. Timeliness of management actions	30%

<u>Subfactor Criteria</u>	<u>Basis or Standard</u>	<u>Method of Measurement</u>
1. a. Employee Turnover	90% avrg. retention rate	COTR tracking
1. b. Unfilled positions	no positions open > 30 days	“”
2. a. Lost time accidents	no more than 1 per qtr	“”
2. b. Safety violations	resolved In 5 working days	“”
3. a. Action Items	completed on time at least 90% of time	CO & COTR

## EVALUATION CRITERIA FOR PERFORMANCE EVALUATION FACTOR NO. 3

### Business Management Factor Weight 15%

#### Description of Factor:

The Business Management factor measures the quality of the overall contract management and its interface to the Government, principally through the Contracting Officer and the Contracting Officer's Technical Representative. This factor includes

#### How Evaluated:

Assessment Report completed by CO and COTR. Assessments are performed the overall contract.

<u>Subfactors to Consider</u>	<u>Subfactor Weighting</u>
1. Contract Management	30%
2. Contract & regulatory compliance	40%
3. Teamwork & Communications	30%

<u>Subfactor Criteria</u>	<u>Basis or Standard</u>	<u>Method of Measurement</u>
1. a. Financial reporting	reports are error-free and delivered on time (5 out of 6 times)	CO, COTR surveys
1. b. Labor relations	no substantiated complaints to IG, congress, or other investigative bodies	CO survey
2. a. Contract compliance	no contractual violations	CO survey
2. b. Fed, State, local compliance	no labor code violations	CO survey
3. a. Communications	meets weekly with CO & COTR	CO, COTR surveys
3. b. Communications	promptly informs CO & COTR of issues which impact contractor performance	CO, COTR surveys

#### GRADING TABLE

Excellent	(100-91)	Of exceptional merit; exemplary performance in a timely, efficient, and economical manner; very minor (if any )deficiencies with no adverse effect on overall performance.
Very Good	(90-81)	Very effective performance, fully responsive to contract; contract requirements accomplished in a timely, efficient, and economical manner for the most part; only minor deficiencies.
Good	(80-71)	Effective performance; fully responsive to contract requirements; reportable deficiencies, but with little identifiable effect on overall performance.

Satisfactory	(70-61)	Meets or slightly exceeds minimum acceptable standards; adequate results; reportable deficiencies with identifiable, but not substantial, effects on overall performance.
Poor/Unsatisfactory-	(less than 61)	Does not meet minimum acceptable standards in one or more areas; remedial action required in one or more areas; deficiencies in one or more areas which adversely affect overall performance.

Any factor/subfactor receiving a grade of **Poor/Unsatisfactory** (less than 61) will be assigned zero (0) performance points for purposes of calculating the award fee amount. The contractor will not be paid any award fee when the total award fee score is **Poor Unsatisfactory** (less than 61).

## ACTIONS AND SCHEDULES FOR AWARD FEE DETERMINATION

<u>Action</u>	<u>Schedule</u> <u>(Calendar days)</u>
1. TMs assess performance and discuss results with contractor	Ongoing after start of period
2. TMs submit reports to PEB	5 days after end of period
3. PEB considers reports and other requested performance information	5-10 days after end of period
4. PEB discusses overall performance with contractor during period	Within 5 days after end of period
5. PEB meets and summarizes preliminary findings and position of PEBR	10 days after end of period
6. PEB may meet with contractor to discuss preliminary findings and	10-15 days positions. after end of period.
7. PEB establishes findings and recommendations for PEBR	15 days after end of period
8. PEB Chair submits PEBR to FDO	20 days after end of period
9. FDO considers PEBR and discusses it with PEB, as appropriate	40 days after end of period
10. FDO sends AFDR to contractor	NLT 45 days after end of period
11. Payment made to contractor via contract modification.	NLT 60 days after end of period

## **GENERAL INSTRUCTIONS FOR PERFORMANCE MONITORS**

### **1. Monitoring and Assessing Performance**

- a. Monitors will prepare outlines of their assessment plans, discuss them with appropriate contractor personnel, and encourage maximum understanding of the evaluation and assessment environment.
- b. Monitors will plan and carry out both announced and unannounced assessment visits.
- c. Monitors will conduct all assessments in an open, objective and cooperative spirit so that a fair and accurate evaluation is obtained. This will enhance contractor receipt of information from which to plan improvements in performance. Positive performance accomplishments should be emphasized just as readily as negative ones.
- d. The monitor will discuss the results with contractor personnel as appropriate, noting any observed deficiencies and/or accompanying recommendations. Adverse items or areas of poor performance will be covered to 'afford the contractor an opportunity to clarify possible misunderstandings and to correct or resolve deficiencies.
- e. Monitors must remember that contacts and visits with contractor personnel are to be accomplished within the context of official contractual relationships. Monitors will avoid any activity or association which might cause, or give the appearance of causing, a conflict of interest.
- f. Monitor discussions with contractor personnel are not to be used to instruct, to direct, to supervise, or as an attempt to control these personnel in the performance of the contract. The role of the monitor is to monitor, assess, and evaluate, not to manage the contractor's effort.

### **2. Documenting Evaluation/Assessment**

Evaluations and assessments conducted, results obtained, and discussions with contractor personnel will be documented. The format and information requirements are to be determined by the PEB.

### **3. Evaluation/Assessment Reports**

Monitors will prepare a formal Performance Monitor Report in accordance with the following instructions and submit it to the PEB, or others, if appropriate, at the end of each quarterly period. The format and information requirements are to be determined by the PEB.

### **4. Verbal Reports**

Monitors will be prepared to make verbal reports as required by the PEB Chair.